

Attachment 4.21-A

Payment may be made to a provider of services who compensates any other person or entity to do his Medicaid billing only if such compensation is:

- (1) Related to the actual cost of processing the billing;
- (2) Not related on a percentage or other basis to the amount that is billed or collected; and
- (3) Not dependent on the collection of the payment.

Payment may be made to the facility in which a provider rendered services, if the provider has a contract under which the facility submits the claim; and his compensation is:

- (1) Not made to or through a factor; defined as an individual or an organization such as a collection service that advances money to a provider for accounts receivable that the provider has assigned, sold or transferred to the individual organization for an added fee or a deduction of a portion of the accounts receivable.
- (2) Not related on a percentage or other basis to the amount that is billed or collected; and
- (3) Not dependent on the collection of the payment.

TN # 87-18
Supercedes
TN # N/A

Approval Date SEP 11 1987

Effective Date 7/1/87